

**Interview of Assistant Secretary of State Winston Lord  
by New Zealand and Australian Press  
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ASSISTANT SECRETARY LORD: I know some of you are under time pressure. You have to leave with the Prime Minister. So let me take just a minute or two to give a few comments about the visit so far. Then we can go to your questions.

The visit is off to a very, very good start indeed. So far, in addition to the Prime Minister's stops outside of Washington you're familiar with I'm sure, he had a very productive and cordial meeting this morning with the President, 45 minutes. The Vice President was there, the Secretary of State, the National Security Advisor, the Secretary of Agriculture, many other top officials.

Your own Prime Minister has already indicated that it was a very cordial meeting and the fact that bilateral issues were discussed -- regional, global issues; also domestic economics, the reforms in New Zealand and the reforms under way here in the United States.

Both sides welcomed the improvement in our bilateral relationships. We're two fellow democracies with active interests on the world scene, and the President has welcomed all the positive steps that New Zealand has taken in many areas, whether it's the U.N. Security Council; peacekeeping - ranging from Bosnia to Haiti, to Cambodia, Rwanda -- the fact that it was the first country, outside of Japan, South Korea and the United States, to contribute to KEDO, the very important organization to carry out the nuclear agreement with North Korea; our joint efforts in APEC and the ASEAN Regional Forum; our joint objectives in arms control, such as the Non-Proliferation Treaty being extended indefinitely, the Comprehensive Test Ban Treaty, and so on. So there's an awful lot to talk about. The President and Prime Minister touched on many of these subjects.

And, then, I've just come from a lunch that was hosted by the Secretary of State. The reason I'm late is because the lunch went on 20-25 minutes extra because they had so much to talk about. Among the subjects there were Korea, where again we welcomed the New Zealand role in KEDO, and the Secretary gave a sense of where we are in the negotiations; APEC, the desire to carry out the promise of Bogor toward freer trade and liberalization and our joint efforts working with Japan as the chair this year to try to realize that premise; discussion of the Bosnia situation; other issues like the South Pacific and Antarctica; and other global and regional issues.

As the Secretary said at his own meeting with the American press before the lunch, the relationship is in very good shape. We're pleased with the warming of the relationship. There is unfinished business that everyone understands with respect to the nuclear legislation. We would hope someday we could resume full defense ties. But, meanwhile, we're looking to the future, and we're very pleased with the warming of relations and the very many positive roles that New Zealand plays around the world.

So why don't I leave it at that and go to your questions.

Q: Linda Clark, Television New Zealand. Given the domestic support for the anti-nuclear legislation, does America actually realistically expect that that legislation will be overturned and thus defense security ties will resume?

LORD: Well, I tried to stress all the positive elements in our relationship and the warming of that relationship in the last year or two in particular. This is the unfinished part of the agenda. We will just have to see whether over time we can come to grips with that problem. We'd very much like to, so that we can have a fully resumed defense relationship. Meanwhile, we're concentrating on all the positive aspects of our bilateral ties.

Q: Barry Soper, Independent Radio of New Zealand. You say its unfinished business. What do you expect of New Zealand? Do you expect the legislation, as was asked by Linda earlier, but do you expect the legislation to be overturned or what?

LORD: I'm not going to comment on New Zealand's domestic situation. Each side understands the other side's position. And, again, we are focusing on all the positive aspects of our relationship, both bilateral and these various regional and global issues that we work together on. So, New Zealand's been very forthcoming in many areas, and we think our relationship has been greatly strengthened in the last couple of years.

Q: Michael Gleason from Australian Broadcasting. What specifically was discussed in relation to defense matters today?

LORD: In the broadest sense there was discussion of international security matters, whether it's Korea or Bosnia and so on. We didn't get into a detailed discussion of the bilateral defense issue. As I say, each side understands the other side's position. And, in addition to accentuating the positive and looking forward, the President -- as did the Secretary -- did say that we hoped over time we could address this one exception to our otherwise very positive relationship.

Q: What made Washington decide to allow a visit by the New Zealand Prime Minister? What specifically did New Zealand do to make you change your mind?

LORD: Well, there's nothing they did in the sense an admission price or anything like that. That's not the way this works between friends. So I wouldn't point to anything specific like that. I think the President decided a little over a year ago, and he first discussed this with Prime Minister Bolger in Seattle in November 1993, that such good friends -- fellow democracies, so many shared interests around the world, and so many bilateral ties of strength -- should have warmer relations and, indeed, leading up to higher contacts despite the ongoing problems on the defense side. And so the President undertook to approve higher-level contacts in the diplomatic and security fields. That's been carried out in a series of visits by the head of our CINCPAC Fleet, the head of the Armed Forces of New Zealand, Deputy Secretary Talbott has been there, and Foreign Minister and Deputy Prime Minister McKinnon has been here. So there's been a series of visits -- I've been out to New Zealand -- leading up to this obviously major one this week.

But we would see this as a continuing process, and it would go forward. It reflects the fact that we have a great deal to talk about of a positive nature, which I've already enumerated.

Q: I just wondered if you could spell out during the meeting, the bilateral meeting, did President Clinton ask the Prime Minister what the prospects were for the nuclear legislation, or did the Prime Minister provide the President with a briefing as to what was the outlook for that?

LORD: There was not a long discussion of this issue. I think each side understands the other side's situation and position, and that was briefly set forth. But I wouldn't want to go into more detail than that.

Q: What is your understanding of the New Zealand position, then?

LORD: Well, I'll let those of you from New Zealand who understand it better than I do...

Q: (Interrupts) But what is your, what is the U.S. understanding of the position?

LORD: We hope over time that we can get at this problem.

Q: When you say "get at" (inaudible)?

LORD: We hope over time we can find a way to resume a full defense relationship. It's the only exception and the only unfinished business in an otherwise very positive relationship. But, meanwhile, we're pleased with the strengthened ties we've had the-past year. We're going to keep working on it. There's an awful lot to cooperate on, and that's where our focus is.

Q: Would the U.S. be prepared to make any concessions to see the defense relationship resume?

LORD: I think I've explained myself already on this. We've expressed our position on what is needed to resume the relationship. The Prime Minister has explained his situation. Meanwhile, we'll continue to improve our relationship wherever we can.

Q: Does it seem a contradiction to the U.S. that American'-and New Zealand defense personnel can operate along side each other as peacekeepers, and do around the world currently, but that they can't take part in joint military exercises?

LORD: Peacekeeping is under U.N. umbrellas, so therefore it's a multilateral, multinational initiative under U.N. auspices, which is somewhat different than allies cooperating in joint exercises. So that's the distinction we would make.

Q: Given that nothing really in the last eleven years in terms of the nuclear situation in New Zealand has changed, why have you decided now that the Prime Minister should be in this country? It seems rather strange to us that suddenly the Americans have accepted the situation. Do you believe that the Americans overreacted to New Zealand's anti-nuclear legislation in the first place?

LORD: No. First, as I say, we're looking forward not backward. Secondly, I did say its unfinished business. So it is something we still hope can be addressed some day. But the President decided, as I said earlier, that despite this unfinished business, we have too many common interests and New Zealand is such a positive force in so many areas, it was in our own self-interest as well as for the interest of our bilateral relationship to increase our contacts and to lift the level of the contacts. And we've had very good contacts at my level, up to the Deputy Secretary level, and the foreign minister level. This is the next appropriate step in that relationship, and we're very pleased with the way the visit's going.

Q: Can we explore this military sharing a little bit further? Are you saying that New Zealand can talk about military situations in Yugoslavia or someplace else as long as the U.N. is involved but can't get any information from the United State about security concerns in the Pacific?

LORD: I don't want to get into information. Let me just say that we have very good discussions and we keep each other fully informed in all of these areas, particularly where New Zealand has a direct interest, such as in peacekeeping operations.

Q: Right. But what about interests about New Zealand's own security in the Pacific? Does the United States help New Zealand in that in any way, or will it in the future?

LORD: We discuss all kinds of issues that are related to each side's security, and that includes working together in the ASEAN Regional Forum, for example, as well as a lot of these international issues. Korea is another example, which New Zealand sees as its own interest to support the nuclear accord. We welcome that, the fact that they were the first country outside of Japan, South Korea, and ourselves to contribute to it. So we talk about a lot of issues of direct interest to New Zealand's security.

Q: What would New Zealand get from the U.S. if it dropped its nuclear legislation at this point?

LORD: I don't want to get into any bargaining mode. I mean, it's very clear we would like to resume our former ties. And if the situation was corrected in that way, then we could resume as full allies. But I don't think I should go beyond that specifically. I am not here to suggest negotiations.

Q: Did the Prime Minister raise any agricultural policy issues, concern with the U.S. over use of export subsidies? And which agriculture secretary was at this meeting?

LORD: Our Agriculture Secretary.

Q: Mr. Glickman?

LORD: No. Mr. Roeminger, who is acting. Well, this came up. I ought to let the Prime Minister speak for himself on the issues he raised. But it was covered during the lunch in particular. But I think New Zealand understands that we are trying to limit the impact on non-subsidizers like New Zealand of any export programs. We think we have done quite well in doing that. We will continue to make an effort, and in any event the Uruguay Round results will be of major benefit to New Zealand and other competitive, non-subsidized exporters.

Q: Can I just be clear on a point? You said that you would hope for change in the anti-nuclear legislation, and at that point you would consider New Zealand a full ally. If you don't consider New Zealand a full ally now, what category do you put New Zealand in?

LORD: Well, they are a very, very strong, positive friend. But there are certain alliance dimensions that have been suspended, and we would like to resume them at some point. But, meanwhile, we are focusing on all the positive things we can do together.

Q: So, not "a full ally" at this point?

LORD: That is correct.

Q: I was wondering if there was any discussion about Japan's hosting of the APEC summit later this year?

LORD: Yes, there was. There was a lot of discussion about APEC, its importance, the constructive role it can play. The Prime Minister complimented the President on hosting the leaders' meeting in

Seattle, which he thinks gave impetus to the overall APEC process, and the joint desire to see a meaningful outcome in Osaka, Japan this year to try to carry forward the promise and political commitment of the leaders in Bogor last November.

Q: Any concern that Japan may be not pursuing the agenda as forcefully as New Zealand, the U.S., and Australia might like?

LORD: Again, it is a consensus organization. So, it is not just what those countries would like but what everyone would like. But we would like to think that the consensus would be in favor of moving ahead with the trade liberalization agenda in a very comprehensive and specific way. So we are going to support Japan and encourage it to move in that direction. Their leadership will be very important\_

Q: Sorry to hog the microphone. The Philippines' action in the Spratly Islands, did that come up at all? And if not, could you comment on Washington's position on it?

LORD: Actually, it did not come up. But I am sure that both sides consider it an important issue. we just didn't reach it, at least so far. Now, again, the Prime Minister is meeting shortly with the Secretary of Defense. He'll be meeting on Capitol Hill tomorrow. So, it still may be covered. There will be a dinner tonight. So that may well be covered.

Our position on the Spratlys is well-known, namely we don't take a position on the merits. We oppose the use of force. We take seriously any use of force. We hope these issues will be solved peacefully. And we are in touch with other countries to see what can be done to ensure that there is no conflict in that area.

Q: The President's nominee for Secretary of Agriculture, Mr. Glickman, last week told the Senate Agriculture Committee that the Export Enhancement Program had been originally passed by Congress in part to meet the Australian threat, as he called it, along with threats from other countries. Now, has he sprung the U.S. position on this, when they have always said that EEP was only to-counter European. subsidies? Or was he wrong in saying this? - , -

LORD: I honestly had not heard that quotation from him. Are you familiar with it, Mike?

OWENS: I just saw it this morning myself. I also saw that Senator Lugar indicated that it was not his understanding that Australia was a subsidizer.

LORD: Our view is clearly that Australia and New Zealand are not subsidizers, but I am reluctant to comment on Mr. Glickman's statement because I haven't seen it. I don't know what he said. So, I really can't judge that. But we have made it clear whether it is EEP or DEIP that we will try to limit the impact on non-subsidizers. And our programs are directed, frankly, essentially at the European Union, certainly not at other threats.

Q: Can I follow that up?

LORD: And the European Union is of course by far the largest subsidizer in these areas.

Q: Has the State Department asked Agriculture though not do any more deals, dump any more dairy products that will be injurious to Australia?

LORD: We are in constant touch with Agriculture and with other economic agencies to make sure that the interests of non-subsidizers are considered. However, the Administration is also committed under the Uruguay Round legislation, and frankly in order get support for that, to counter EU subsidies and also to try to help our market position, but in a way that tries to take account of Australian and New Zealand interests and other non-subsidizers' interests.

Q: Where would Mr. Glickman have got such a view do you think?

LORD: I really can't comment on his statement because I haven't seen, I really have not seen this quote. And so I don't know what we are talking about.

Q: If it is in fact true that he has said that, it is erroneous in your view, though, is it?

LORD: Well, I don't want to be calling what he said erroneous. I don't even know what he said. So, I am going to be very careful here. I am not challenging what he said because I don't know what he said. I can just tell you what my understanding of the situation is, and I have already covered that.